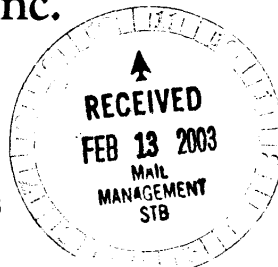


207229

Eastern Shore Railroad, Inc.

The Norfolk Gateway



February 13, 2003

Surface Transportation Board
ATTN: Vernon A. Williams, Secretary
1925 K Street, Room 703
Washington, DC 20423

ENTERED
Office of Proceedings

FEB 1 2003

Part of
Public Record

FILED
FEB 12 2003
SURFACE
TRANSPORTATION BOARD

RE: STB Finance Docket No. 34313, Eastern Shore Railroad, Inc. - Operation Exemption -
Shenandoah Valley Railroad Line in Rockingham and Augusta Counties, Virginia.

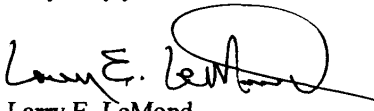
Dear Mr. Williams:

Enclosed for filing please find an original and 10 copies of a Notice of Exemption in the captioned case along with an original and ten copies of a caption summary for publication in the Federal Register. Also enclosed is a filing fee in the amount of \$1,300 and a 3.5 inch diskette with both documents in WordPerfect format.

I have enclosed an extra copy of this letter and a stamped self-addressed envelope. I request that you time and date stamp the extra copy of the letter and return it to me as proof of filing.

I trust you will find this filing in order and that the exemption may become effective 7 days after the filing date.

Very truly yours,


Larry E. LeMond,
President & General Manager

copy: Ms. Theresa Simmons
General Manager
Shenandoah Valley Railroad

attachments

FEE RECEIVED

FEB 13 2002

SURFACE
TRANSPORTATION BOARD

207229

**BEFORE THE
SURFACE TRANSPORTATION BOARD
UNITED STATES DEPARTMENT OF TRANSPORTATION**



FINANCE DOCKET NO. 34313

**ENTERED
Office of Proceedings**

FEB 1 2003

**Part of
Public Record**

**EASTERN SHORE RAILROAD, INC.
---OPERATION EXEMPTION---
SHENANDOAH VALLEY RAILROAD LINE
IN ROCKINGHAM AND AUGUSTA COUNTIES, VIRGINIA**

**NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902**

FEE RECEIVED

FEB 13 2002

**SURFACE
TRANSPORTATION BOARD**

FILED

FEB 13 2003

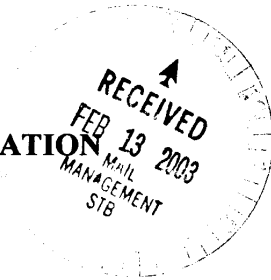
**SURFACE
TRANSPORTATION BOARD**

Larry E. LeMond
President & General Manager
Eastern Shore Railroad, Inc.
202 Mason Avenue
P. O. Box 312
Cape Charles, VA 23310
(757) 331-1094 x13

Class III Rail Carrier Applicant

Dated: February 12, 2003

**BEFORE THE
SURFACE TRANSPORTATION BOARD
UNITED STATES DEPARTMENT OF TRANSPORTATION**



FINANCE DOCKET NO. 34313

**EASTERN SHORE RAILROAD, INC.
---OPERATION EXEMPTION---
SHENANDOAH VALLEY RAILROAD LINE
IN ROCKINGHAM AND AUGUSTA COUNTIES, VIRGINIA**

**NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902**

Eastern Shore Railroad, Inc. ("ESHR"), a Class III rail carrier, pursuant to the provisions of 49 U.S.C. 10902 and 49 C.F.R. 1150.41-1150.44, hereby gives this notice of exemption for the operation of a continuous 20.2-mile rail line owned by Greater Shenandoah Valley Development Company, d/b/a Shenandoah Valley Railroad Company ("SVRR") between Pleasant Valley, Virginia at milepost 5.0 to Staunton, Virginia at milepost 25.2 in Rockingham and Augusta Counties, Virginia, and in support thereof, states as follows:

I.

INFORMATION REQUIRED UNDER 49 C.F.R. 1150.43

A. Class III Rail Carrier Applicant. The full name and address of the Class III rail carrier applicant is, Eastern Shore Railroad, Inc. (ESHR), a Virginia corporation, the address of which is 202 Mason Avenue, P. O. Box 312, Cape Charles, Virginia 23310. ESHR currently operates approximately 70 miles of rail line in Virginia.

B. Applicant's Representative. The name, address and telephone number of the representative of the applicant who should receive correspondence concerning this matter is:

Larry E. LeMond
President & General Manager
Eastern Shore Railroad, Inc.
202 Mason Avenue
P. O. Box 312
Cape Charles, VA 23310
(757) 331-1094 x13

C. Agreement. A three-year agreement with an effective date of March 1, 2003, has been reached between Greater Shenandoah Valley Development Company, d/b/a Shenandoah Valley Railroad Company (SVRR), Owner, a Virginia Corporation, and applicant Eastern Shore Railroad, Inc. (ESHR), a Class III rail carrier and a Virginia Corporation, for ESHR to operate the continuous 20.2 mile rail line between Pleasant Valley, Virginia at milepost 5.0 to Staunton, Virginia at milepost 25.2 in Rockingham and Augusta Counties, Virginia.

Pursuant to the agreement, SVRR has assigned to ESHR all necessary rights and licenses to enter upon the property and provide rail service. ESHR will have exclusive control in the management and operation of the rail service, and it will provide rail freight service to all shippers on the line, manage all operations, establish all freight rates, maintain all appropriate books and records, and handle routine maintenance. SVRR will be responsible for any rehabilitation and new construction on its line and will pay ESHR for serving the shippers and managing the rail freight operations. SVRR will retain the right to conduct rail transportation service itself or designate an operator in the event of ESHR's default of its obligations under the agreement.

D. Operator of the Property. The current operator of this 20.2 mile rail line is the Buckingham Branch Railroad. Applicant, Eastern Shore Railroad, Inc., will assume operations of this rail line on March 1, 2003. Upon consummation of the transaction, Buckingham Branch Railroad will cease as operator of this 20.2 mile rail line.

E. Summary of the Transaction.

(1) Transferor. The name and address of the owner of the rail line transferring the operations to Eastern Shore Railroad, Inc. (ESHR), the Class III rail carrier applicant, is Greater Shenandoah Valley Development Company, d/b/a Shenandoah Valley Railroad Company, P. O. Box 466, Harrisonburg, Virginia 22803.

(2) Effective Date. The parties propose that the transaction be consummated on the effective date of the operating agreement of March 1, 2003.

(3) Description of the Subject Property, including Mileposts. The subject property to be operated by Eastern Shore Railroad, Inc. (ESHR), is a continuous 20.2 mile rail line between Pleasant Valley, Virginia at milepost 5.0 to Staunton, Virginia at milepost 25.2 in Rockingham and Augusta Counties, Virginia.

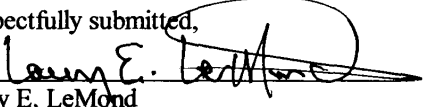
(4) Total Route Miles. The total route miles to be operated by ESHR is 20.2 rail miles.

F. Map. A map that shows the 20.2 mile line and the area to be served is attached as an exhibit.

G. Certificate. Applicant certifies that applicant's projected revenues as a result of the transaction will not result in the creation of a Class II or Class I rail carrier so as to require processing under 49 C.F.R. 1150.45. A separate certification of applicant's continued status as a Class III rail carrier after the consummation of the transaction is also attached.


H. Other. Caption Summary is attached.

Respectfully submitted,

By: 
Larry E. LeMond
President and General Manager
Eastern Shore Railroad, Inc.
202 Mason Avenue
P. O. Box 312
Cape Charles, VA 23310
(757) 331-1094 ext. 13

STATE OF VIRGINIA
COUNTY OF NORTHAMPTON

Subscribed and sworn to before me
this 11th day of February, 2003.


Notary Public

My commission expires: Oct 31, 2003

**BEFORE THE
SURFACE TRANSPORTATION BOARD
UNITED STATES DEPARTMENT OF TRANSPORTATION**

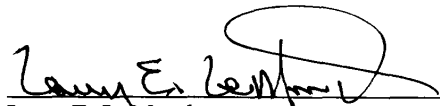
FINANCE DOCKET NO. 34313

**EASTERN SHORE RAILROAD, INC.
----OPERATION EXEMPTION----
SHENANDOAH VALLEY RAILROAD LINE
IN ROCKINGHAM AND AUGUSTA COUNTIES, VIRGINIA**

**NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902**

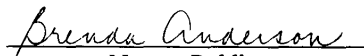
**CERTIFICATE THAT PROJECTED REVENUES WILL NOT EXCEED
CLASS III RAIL CARRIER MAXIMUM AMOUNT**

I, Larry E. LeMond, President and General Manager of Eastern Shore Railroad, Inc., hereby certify that applicant Eastern Shore Railroad, Inc.'s revenues as a result of the transaction described in this notice of exemption will not result in the creation of a Class II or Class I rail carrier so as to require processing under 49 C.F.R. 1150.45.

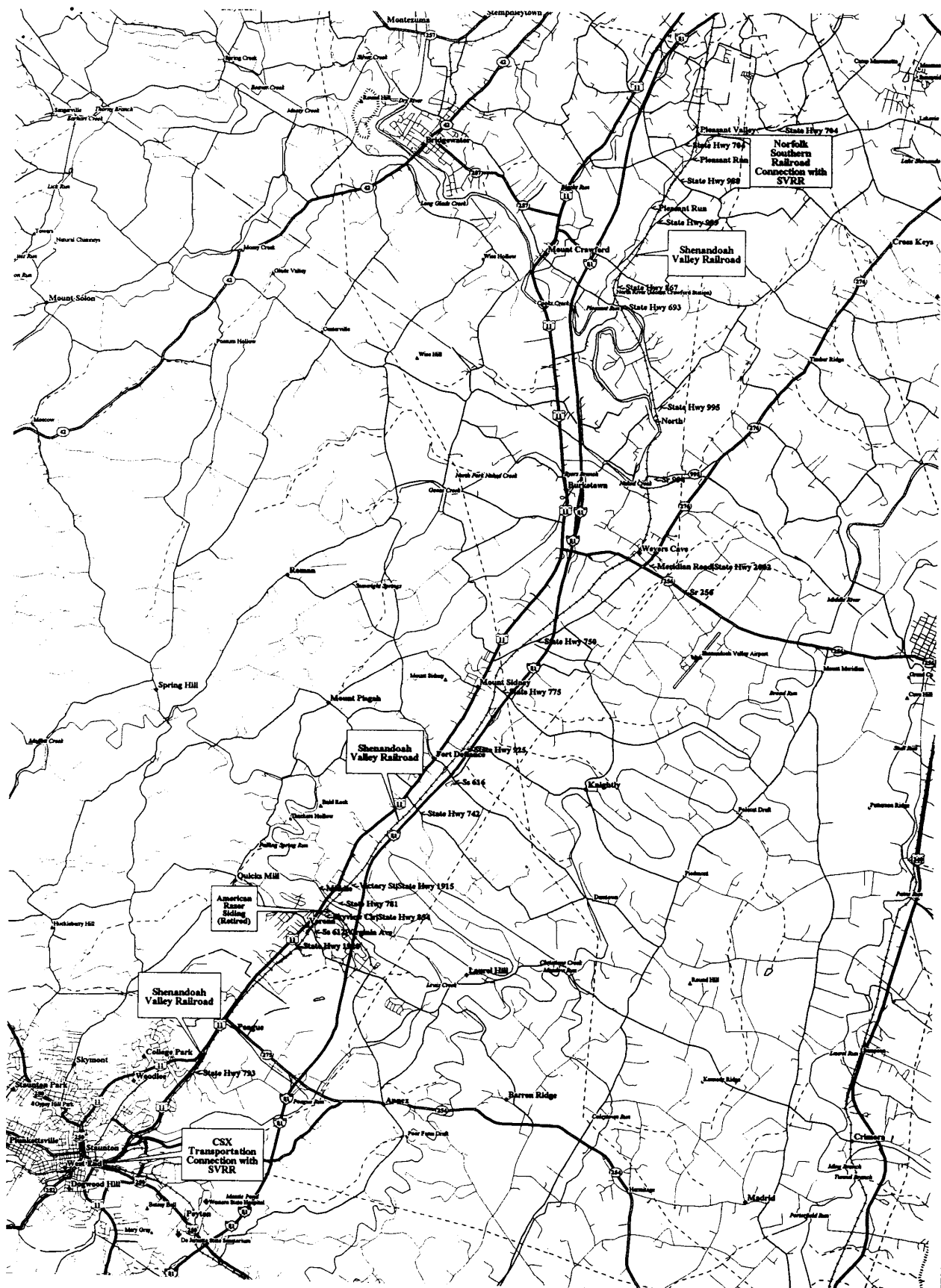

Larry E. LeMond
President and General Manager
Eastern Shore Railroad, Inc.
202 Mason Avenue
P. O. Box 312
Cape Charles, VA 23310
(757) 331-1094 ext. 13

STATE OF VIRGINIA
COUNTY OF NORTHAMPTON

Subscribed and sworn to before me
this 11th day of February, 2003.

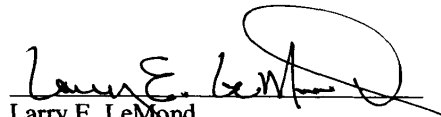

Notary Public

My commission expires: Oct 31, 2003



CERTIFICATE OF SERVICE

I, Larry E. LeMond, President and General Manager of Eastern Shore Railroad, Inc., hereby certify that I have served a copy of the foregoing notice of exemption upon all active shippers on the railroad line to be operated by Eastern Shore Railroad, pursuant to the notice of exemption, by first class U. S. Mail, postage prepaid, this 12th day of February, 2003.


Larry E. LeMond

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB FINANCE DOCKET NO. 34313

**EASTERN SHORE RAILROAD, INC.
-----OPERATION EXEMPTION-----
SHENANDOAH VALLEY RAILROAD, INC.
IN ROCKINGHAM AND AUGUSTA COUNTIES, VIRGINIA**

Eastern Shore Railroad, Inc., a Class III rail carrier, pursuant to the provisions of 49 U.S.C. 10902 and 49 CFR 1150.41-1150.44, has filed notice of exemption for the operation of a continuous 20.2-mile rail line owned by Greater Shenandoah Valley Development Company, D/B/A Shenandoah Valley Railroad Company ("SVRR") between Pleasant Valley, Virginia at milepost 5.0 to Staunton, Virginia at milepost 25.2 in Rockingham and Augusta Counties, Virginia.

The name, address and telephone number of the representative of the applicant who should receive correspondence concerning this matter is: Larry E. LeMond, President and General Manager, Eastern Shore Railroad, Inc., 202 Mason Avenue, P. O. Box 312, Cape Charles, VA 23310, (757) 331-1094 ext. 13.

The notice is filed under CFR 1150.41. If the notice contains false or misleading information, the exemption is void *ab initio*. The filing of a petition to revoke will not automatically stay the transaction.